

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
WILLIAMSBURG, IOWA

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2013

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WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before and after September 2012 election)		
Tom Claypool	President	2015
Dianne Foley	Vice President	2013
Darren Spenler	Board Member	2013
Matt Blythe	Board Member	2013
Mark Armstrong	Board Member	2015
<u>School Officials</u>		
Dr. Carol Montz	Superintendent	2014
Kathryn McMann	District Secretary/Treasurer and Business Manager	2013
Tom Buchanan	Attorney	Indefinite
Andrew Bracken	Attorney	Indefinite

DOUGLAS T. HUNT, CPA  
DONALD D. KAIN  
CHUCK C. CONVERSE, CPA  
RUSSELL S. TERPSTRA, CPA  
MICHAEL G. STANLEY, CPA  
DEE A.A. HOKE, CPA

**HUNT & ASSOCIATES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Williamsburg Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williamsburg Community School District, Williamsburg Iowa, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Williamsburg Community School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters*Required Supplementary Information*

U.S. generally accepted accounting principles require the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 42 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has omitted the Management's Discussion and Analysis that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Williamsburg Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the eight years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financials statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2013 on our consideration of Williamsburg Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Williamsburg Community School District's internal control over financial reporting and compliance.

Oskaloosa, Iowa  
December 11, 2013

*Hunt & Associates, P.C.*

## Basic Financial Statements

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and pooled investments	\$ 5,393,669	\$ 78,745	\$ 5,472,414
Receivables:			
Property tax:			
Current year	54,110	-	54,110
Succeeding year	4,585,699	-	4,585,699
Income surtax	118,685	-	118,685
Internal balances	117	(117)	-
Accounts	1,164	-	1,164
Due from other governments	628,242	-	628,242
Inventories	-	11,298	11,298
Prepaid expenses	12,787	-	12,787
Capital assets, net of accumulated depreciation (note 5)	24,773,412	52,992	24,826,404
	<hr/>		
Total assets	35,567,885	142,918	35,710,803
<u>Liabilities</u>			
Accounts payable	175,594	-	175,594
Salaries and benefits payable	1,460	-	1,460
Accrued interest payable	129,184	-	129,184
Deferred revenue:			
Succeeding year property tax	4,585,699	-	4,585,699
Other	36,451	10,933	47,384
Long-term liabilities (note 6):			
Portion due within one year:			
Early retirement	70,974	-	70,974
Bonds payable	513,125	-	513,125
Notes payable	370,000	-	370,000
Portion due after one year:			
Early retirement	202,078	-	202,078
Bonds payable	9,615,625	-	9,615,625
Notes payable	2,365,000	-	2,365,000
Net OPEB liability	789,000	-	789,000
	<hr/>		
Total liabilities	18,854,190	10,933	18,865,123



WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION  
June 30, 2013

	Governmental Activities	Business-type Activities	Total
Net Position			
Net investment in capital assets	\$ 11,909,662	\$ 52,992	\$ 11,962,654
Restricted for:			
Categorical funding	268,526	-	268,526
Management levy purposes	130,169	-	130,169
Physical plant and equipment levy purposes	169,967	-	169,967
Student activities	177,618	-	177,618
Debt service	888,586	-	888,586
Capital projects	1,753,968	-	1,753,968
Unrestricted	1,415,199	78,993	1,494,192
Total net position	\$ <u>16,713,695</u>	\$ <u>131,985</u>	\$ <u>16,845,680</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 8,739,031	\$ 1,294,944	\$ 586,992	\$ -
Support services:				
Student	184,327	-	5,680	-
Instructional staff	284,605	-	94,584	-
Administration	1,420,657	-	-	-
Operation and maintenance of plant	934,804	6,656	-	-
Transportation	651,674	-	43,003	-
	<u>3,476,067</u>	<u>6,656</u>	<u>143,267</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	223,271	-	-	1,844,320
Long-term debt interest and fiscal charges	309,206	-	-	-
AEA flowthrough	421,305	-	421,305	-
Depreciation (unallocated) *	375,516	-	-	-
	<u>1,329,298</u>	<u>-</u>	<u>421,305</u>	<u>1,844,320</u>
Total governmental activities	13,544,396	1,301,600	1,151,564	1,844,320

Net (Expense) Revenue  
and Changes in Net Position

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Governmental Activities	Business-Type Activities	Total
<u>\$ (6,857,095)</u>	<u>\$ -</u>	<u>\$ (6,857,095)</u>
(178,647)	-	(178,647)
(190,021)	-	(190,021)
(1,420,657)	-	(1,420,657)
(928,148)	-	(928,148)
(608,671)	-	(608,671)
<u>(3,326,144)</u>	<u>-</u>	<u>(3,326,144)</u>
1,621,049	-	1,621,049
(309,206)	-	(309,206)
-	-	-
<u>(375,516)</u>	<u>-</u>	<u>(375,516)</u>
<u>936,327</u>	<u>-</u>	<u>936,327</u>
<u>(9,246,912)</u>	<u>-</u>	<u>(9,246,912)</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
Business-Type Activities:				
Support services:				
Food service operations	\$ 9,875	\$ -	\$ -	\$ -
Non-instructional programs:				
Food service operations	591,449	366,745	200,323	-
Total business-type activities	601,324	366,745	200,323	-
Total	\$ 14,145,720	\$ 1,668,345	\$ 1,351,887	\$ 1,844,320

General revenues (expenses):

Property tax levied for:  
    General purposes  
    Capital outlay  
Income surtax  
Statewide sales, services and use tax  
Unrestricted state and federal grants  
Unrestricted investment earnings  
Loss on disposal of building  
Other

Total general revenues

Change in net position

Net position beginning of year

Net position end of year

\* = This amount excludes the depreciation included  
in the direct expenses of the various programs.

See notes to financial statements.

Net (Expense) Revenue  
and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ -	\$ (9,875)	\$ (9,875)
-	(24,381)	(24,381)
-	(34,256)	(34,256)
(9,246,912)	(34,256)	(9,281,168)
\$ 3,857,215	\$ -	\$ 3,857,215
597,020	-	597,020
171,427	-	171,427
963,110	-	963,110
5,310,101	-	5,310,101
22,868	230	23,098
(324,000)	-	(324,000)
67,942	-	67,942
10,665,683	230	10,665,913
1,418,771	(34,026)	1,384,745
15,294,924	166,011	15,460,935
\$ 16,713,695	\$ 131,985	\$ 16,845,680

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets				
Cash and pooled investments	\$ 2,098,524	\$ 2,046,039	\$ 1,249,106	\$ 5,393,669
Receivables:				
Property tax:				
Current year	42,492	7,833	3,785	54,110
Succeeding year	3,582,237	618,462	385,000	4,585,699
Income surtax	118,685	-	-	118,685
Interfund receivable (note 3)	160	-	-	160
Accounts	1,164	-	-	1,164
Due from other governments	330,598	297,644	-	628,242
Prepaid expenses	12,787	-	-	12,787
Total assets	<u>\$ 6,186,647</u>	<u>\$ 2,969,978</u>	<u>\$ 1,637,891</u>	<u>\$ 10,794,516</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013

	General	Capital Projects	Nonmajor	Total
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 93,774	\$ 74,081	\$ 7,739	\$ 175,594
Salaries and benefits payable	1,460	-	-	1,460
Interfund payable (note 3)	-	-	43	43
Deferred revenue:				
Succeeding year property tax	3,582,237	618,462	385,000	4,585,699
Other	155,136	-	-	155,136
Total liabilities	<u>3,832,607</u>	<u>692,543</u>	<u>392,782</u>	<u>4,917,932</u>
Fund balances:				
Nonspendable:				
Prepaid expenses	12,787	-	-	12,787
Restricted for:				
Categorical funding (note 11)	268,526	-	-	268,526
Revenue bonds reserve fund	-	353,500	-	353,500
Debt service	-	-	664,270	664,270
Management levy purposes	-	-	403,221	403,221
Student activities	-	-	177,618	177,618
Other capital projects	-	548,868	-	548,868
School infrastructure	-	1,205,100	-	1,205,100
Physical plant and equipment	-	169,967	-	169,967
Unassigned	2,072,727	-	-	2,072,727
Total fund balances	<u>2,354,040</u>	<u>2,277,435</u>	<u>1,245,109</u>	<u>5,876,584</u>
Total liabilities and fund balances	<u>\$ 6,186,647</u>	<u>\$ 2,969,978</u>	<u>\$ 1,637,891</u>	<u>\$ 10,794,516</u>

See notes to financial statements.

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2013

Total fund balances of governmental funds	\$ 5,876,584
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	24,773,412
Other long-term assets, including income surtax receivable, are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	118,685
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(129,184)
Long-term liabilities, including bonds payable, compensated absences, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(13,925,802)</u>
Net position of governmental activities	<u>\$ 16,713,695</u>
See notes to financial statements.	



WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2013

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 4,071,199	1,559,908	\$ 315,356	\$ 5,946,463
Tuition	597,875	-	-	597,875
Other	231,177	1,114,018	628,317	1,973,512
Intermediate sources	10,852	-	-	10,852
State sources	6,100,795	94,226	137	6,195,158
Federal sources	239,515	674,816	-	914,331
Total revenues	11,251,413	3,442,968	943,810	15,638,191
Expenditures:				
Current:				
Instruction	7,886,677	11,468	746,383	8,644,528
Support services:				
Student	171,239	-	-	171,239
Instructional staff	284,605	-	-	284,605
Administration	1,399,101	5,530	-	1,404,631
Operation and maintenance of plant	861,294	-	94,409	955,703
Transportation	567,774	61,500	20,425	649,699
	3,284,013	67,030	114,834	3,465,877
Other expenditures:				
Facilities acquisition	-	4,787,733	-	4,787,733
Long term debt:				
Principal	-	-	873,125	873,125
Interest and fiscal charges	-	-	313,858	313,858
AEA flowthrough	421,305	-	-	421,305
	421,305	4,787,733	1,186,983	6,396,021
Total expenditures	11,591,995	4,866,231	2,048,200	18,506,426
Deficiency of revenues under expenditures	(340,582)	(1,423,263)	(1,104,390)	(2,868,235)

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2013

	General	Capital Projects	Nonmajor	Total
Other financing sources (uses):				
Sale of equipment	\$ 8,569	\$ -	\$ -	\$ 8,569
Interfund transfers in (note 4)	-	-	1,181,125	1,181,125
Interfund transfers out (note 4)	-	(1,181,125)	-	(1,181,125)
Total other financing sources (uses)	<u>8,569</u>	<u>(1,181,125)</u>	<u>1,181,125</u>	<u>8,569</u>
Net change in fund balances	(332,013)	(2,604,388)	76,735	(2,859,666)
Fund balances beginning of year	<u>2,686,053</u>	<u>4,881,823</u>	<u>1,168,374</u>	<u>8,736,250</u>
Fund balances end of year	<u>\$ 2,354,040</u>	<u>\$ 2,277,435</u>	<u>\$ 1,245,109</u>	<u>\$ 5,876,584</u>

See notes to financial statements.

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ (2,859,666)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 4,663,544	
Loss on disposal of building	(324,000)	
Depreciation expense	<u>(464,865)</u>	3,874,679

Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is deferred in the governmental funds. It is, however, recorded as revenue in the Statement of Activities. (359,593)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 873,125

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 4,652

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	1,528	
Net OPEB liability	<u>(115,954)</u>	<u>(114,426)</u>

Change in net position of governmental activities \$ 1,418,771

See notes to financial statements.

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2013

	<u>School Nutrition</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 78,745
Inventories	<u>11,298</u>
Total current assets	<u>90,043</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation (note 5)	<u>52,992</u>
Total assets	<u>143,035</u>
Liabilities	
Current liabilities:	
Interfund payables	117
Deferred revenue	<u>10,933</u>
Total current liabilities	<u>11,050</u>
Net Position	
Net investment in capital assets	52,992
Unrestricted	<u>78,993</u>
Total net position	<u>\$ 131,985</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
Year Ended June 30, 2013

	<u>School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for services	\$ <u>366,745</u>
Operating expenses:	
Support services:	
Food service operations:	
Purchased services	<u>9,875</u>
Non-instructional programs:	
Food service operations:	
Salaries	229,672
Benefits	61,200
Depreciation	285,758
Other	<u>14,819</u>
	<u>591,449</u>
Total expenses	<u>601,324</u>
Operating loss	(234,579)
Non-operating revenues:	
Interest on investments	230
State sources	4,588
Federal sources	<u>195,735</u>
Total non-operating revenues	<u>200,553</u>
Change in net position	(34,026)
Net position beginning of year	<u>166,011</u>
Net position end of year	\$ <u><u>131,985</u></u>
See notes to financial statements.	

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Year Ended June 30, 2013

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 363,507
Cash received from miscellaneous operating activities	4,221
Cash payments to employees for services	(290,872)
Cash payments to suppliers for goods or services	<u>(261,848)</u>
Net cash used by operating activities	<u>(184,992)</u>
Cash flows from non-capital financing activities:	
State grants received	4,588
Federal grants received	<u>160,819</u>
Net cash provided by non-capital financing activities	<u>165,407</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,079)</u>
Cash flows from investing activities:	
Interest on investments	<u>230</u>
Net increase in cash and cash equivalents	(20,434)
Cash and cash equivalents beginning of year	<u>99,179</u>
Cash and cash equivalents end of year	<u>\$ 78,745</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Year Ended June 30, 2013

	<u>School Nutrition</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (234,579)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	14,819
Commodities used	34,916
(Increase) in inventories	(1,248)
Increase in interfund payable	117
Increase in deferred revenue	<u>983</u>
Net cash used by operating activities	\$ <u><u>(184,992)</u></u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2013, the District received \$34,916 of federal commodities.

See notes to financial statements.

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2013

	Private Purpose Trust	Scholarship
Assets:		
Cash and pooled investments	\$ 51,009	
Land held in scholarship trust (note 14)		<u>1,467,250</u>
Total assets		<u>1,518,259</u>
Liabilities:		
None		<u>-</u>
Net position:		
Restricted for scholarships	\$	<u><u>1,518,259</u></u>

See notes to financial statements.



WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
Year Ended June 30, 2013

	Private Purpose Trust
	<u>Scholarship</u>
Additions:	
Local sources:	
Gain on investment	\$ 352,250
Gifts and contributions	41,500
Interest	<u>399</u>
Total additions	<u>394,149</u>
Deductions:	
Support services:	
Scholarships awarded	34,000
Purchased services	<u>2,850</u>
Total deductions	<u>36,850</u>
Change in net position	357,299
Net position beginning of year	<u>1,160,960</u>
Net position end of year	<u>\$ 1,518,259</u>
See notes to financial statements.	

# WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### Note 1. Summary of Significant Accounting Policies

Williamsburg Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Williamsburg, Iowa, and agricultural territory in Iowa County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

#### A. Reporting Entity

For financial reporting purposes, Williamsburg Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. Williamsburg Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Iowa County Assessor's Conference Board.

#### B. Basis of Presentation

District-wide Financial Statements – The Statement of Net Position (previously referred to as net assets) and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District reports the following nonmajor proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust, which is valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2012.

Interfund Receivable/Payable – Certain transactions occur between funds during the course of the year. These transactions are reflected on the financial statements only to the extent to which they have yet to be repaid.

Due From Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the District-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

Salaries and Benefits Payable – Payroll withholdings not remitted by year end have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable and unearned meal revenues.

Deferred revenue in the Statement of Net Position consists of the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unearned meal revenues.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Long-term Liabilities – In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Compensated Absences – The District's policy is not to reimburse employees for unused vacation. Vacation can only be used by an employee in the year it is earned. The District had no compensated absences liability at June 30, 2013.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, expenditures did not exceed the amounts budgeted.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 2. Cash and Pooled Investments (continued)

At June 30, 2013, the District had investments as follows:

	<u>Value</u>
U.S. Treasury Notes	\$ 578,531
Iowa Schools Joint Investment Trust, Diversified Portfolio	<u>371,010</u>
Total investments	<u>\$ 949,541</u>

The investments in the Iowa Schools Joint Investment Trust are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in U.S. Treasury Notes are valued at fair value.

Credit Risk – The investment in the Iowa Schools Joint Investment Trust was rated AAAm by Standard & Poor's Financial Services. The investment in U.S. Treasury Notes is not subject to investment rating.

Note 3. Interfund Receivables/Payables

A summary of the District's interfund receivables and payables at June 30, 2013 is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General	Special Revenue, Student Activity	\$ 43
	Enterprise, School Nutrition	<u>117</u>
Total		<u>\$ 160</u>

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	<u>\$ 1,181,125</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.



WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2013 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 255,800	\$ -	\$ -	\$ 255,800
Construction in progress	7,304,908	4,535,517	-	11,840,425
Total capital assets not being depreciated	<u>7,560,708</u>	<u>4,535,517</u>	<u>-</u>	<u>12,096,225</u>
Capital assets being depreciated:				
Buildings	15,858,667	-	829,000	15,029,667
Improvements other than buildings	2,671,160	-	25,401	2,645,759
Furniture and equipment	1,485,623	128,027	27,073	1,586,577
Total capital assets being depreciated	<u>20,015,450</u>	<u>128,027</u>	<u>881,474</u>	<u>19,262,003</u>
Less accumulated depreciation for:				
Buildings	4,939,685	310,609	505,000	4,745,294
Improvements other than buildings	675,717	64,908	25,401	715,224
Furniture and equipment	1,062,023	89,348	27,073	1,124,298
Total accumulated depreciation	<u>6,677,425</u>	<u>464,865</u>	<u>557,474</u>	<u>6,584,816</u>
Total capital assets being depreciated, net	<u>13,338,025</u>	<u>(336,838)</u>	<u>324,000</u>	<u>12,677,187</u>
Governmental activities capital assets, net	<u>\$ 20,898,733</u>	<u>\$ 4,198,679</u>	<u>\$ 324,000</u>	<u>\$ 24,773,412</u>
Business-type activities:				
Furniture and equipment	\$ 330,327	\$ 1,079	\$ 4,843	\$ 326,563
Less accumulated depreciation	<u>263,595</u>	<u>14,819</u>	<u>4,843</u>	<u>273,571</u>
Business-type activities capital assets, net	<u>\$ 66,732</u>	<u>\$ (13,740)</u>	<u>\$ -</u>	<u>\$ 52,992</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 5. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:

Instruction	\$ 4,986
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Support services:

Student support	13,088
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Operation and maintenance of plant	7,800
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Transportation	63,475
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	<u>89,349</u>
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Unallocated depreciation	<u>375,516</u>
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Total depreciation expense - governmental activities	\$ <u><u>464,865</u></u>
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Business-type activities:

Food service operations	\$ <u><u>14,819</u></u>
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WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2013 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Early retirement	\$ 274,580	\$ 64,311	\$ 65,839	\$ 273,052	\$ 70,974
Revenue bonds	10,636,875	-	508,125	10,128,750	513,125
Notes payable	3,100,000	-	365,000	2,735,000	370,000
Net OPEB liability	673,046	115,954	-	789,000	-
Total	<u>\$ 14,684,501</u>	<u>\$ 180,265</u>	<u>\$ 938,964</u>	<u>\$ 13,925,802</u>	<u>\$ 954,099</u>

Early Retirement

The District offers a voluntary early retirement plan to its certified employees and classified employees in District-wide Supervisory positions. Eligible certified employees must be at least age fifty-seven and classified employees must be at least age sixty by June 30 of the year of retirement and all employees must have completed fifteen years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement benefit for each eligible employee is equal to single insurance coverage provided by the District at the dollar amount of single coverage at the time of the employee's retirement. Coverage at this rate will be provided until the employee reaches age sixty-five or otherwise becomes eligible for Medicare or insurance coverage from any other source.

The District also has early retirees covered by other plans. The details of these plans are available upon request at the business administration office.

At June 30, 2013, the District had obligations to 11 participants with a total liability of \$273,052. Actual early retirement expenditures for the year ended June 30, 2013 totaled \$65,839. Early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities (continued)

Revenue Bonds

Details of the District's June 30, 2013 revenue bonded indebtedness are as follows:

Year Ending June 30,	Issue dated September 15, 2010			Issue dated May 1, 2011			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2014	1.50 % \$	478,125 \$	100,406 \$	2.00 % \$	35,000 \$	138,632 \$	513,125 \$	239,038
2015	1.50	478,125	93,234	2.00	45,000	137,933	523,125	231,167
2016	1.50	478,125	86,063	2.70	50,000	137,032	528,125	223,095
2017	1.50	478,125	78,891	2.70	60,000	135,682	538,125	214,573
2018	1.50	478,125	71,719	3.20	70,000	134,062	548,125	205,781
2019	1.50	478,125	64,547	3.20	80,000	131,823	558,125	196,370
2020	1.50	478,125	57,375	3.60	90,000	129,262	568,125	186,637
2021	1.50	478,125	50,203	3.60	100,000	126,023	578,125	176,226
2022	1.50	478,125	43,031	3.80	110,000	122,422	588,125	165,453
2023	1.50	478,125	35,859	3.80	120,000	118,243	598,125	154,102
2024	1.50	478,125	28,687	4.00	130,000	113,682	608,125	142,369
2025	1.50	478,125	21,516	4.00	145,000	108,483	623,125	129,999
2026	1.50	478,125	14,344	4.00	155,000	102,683	633,125	117,027
2027	1.50	478,125	7,172	4.05	170,000	96,482	648,125	103,654
2028	-	-	-	4.25	665,000	89,598	665,000	89,598
2029	-	-	-	4.35	690,000	61,335	690,000	61,335
2030	-	-	-	4.35	720,000	31,320	720,000	31,320
		<u>\$ 6,693,750</u>	<u>\$ 753,047</u>		<u>\$ 3,435,000</u>	<u>\$ 1,914,697</u>	<u>\$ 10,128,750</u>	<u>\$ 2,667,744</u>

The resolutions providing for the issuance of the sales, services, and use tax revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the statewide school infrastructure sales, services, and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- (b) A Reserve Fund will be established totaling \$353,500 for the revenue bond issue only by the deposit of 10% of bond issuance proceeds and will be maintained as necessary to meet the Sinking Account requirements.
- (c) All proceeds after the establishment of the reserve fund from the statewide sales and services tax shall be placed in a Revenue Account for each issuance.
- (d) Monies in the Revenue Accounts shall be disbursed to make deposits into Sinking Accounts to pay the principal and interest requirements of each revenue bond issuance for the fiscal year.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities (continued)

Revenue Bonds (continued)

- (e) Any monies remaining in the Revenue Accounts after the required transfers to the Sinking Accounts may be transferred to the Project Accounts to be used for any lawful purpose.

The District pledged future local option statewide sales and services tax revenues to repay the \$11,185,000 bonds issued in 2011. The bonds were issued for the purpose of financing a portion of the costs of various construction projects. The bonds are payable solely from the proceeds of the statewide sales and services tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 78 percent of the statewide sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$12,796,494. For the current year, \$754,711 of principal and interest was paid on the bonds and total statewide sales and services tax revenues were \$963,110.

General Obligation Capital Loan Notes

Details of the District's June 30, 2013 general obligation capital loan note indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2014	1.45 %	\$ 370,000	\$ 57,968	\$ 427,968
2015	1.45	375,000	52,602	427,602
2016	1.85	380,000	47,164	427,164
2017	2.15	390,000	40,136	430,136
2018	2.40	400,000	31,750	431,750
2019	2.60	405,000	22,150	427,150
2020	2.80	415,000	11,620	426,620
		<u>\$ 2,735,000</u>	<u>\$ 263,390</u>	<u>\$ 2,998,390</u>

Note 7. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 124 active and 11 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 7. Other Postemployment Benefits (OPEB) (continued)

Funding Policy – The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the District’s net OPEB obligation:

Annual required contribution	\$	286,590
Interest on net OPEB obligation		16,826
Adjustment to annual required contribution		106,524
Annual OPEB cost		<u>196,892</u>
Contributions made		<u>80,938</u>
Increase in net OPEB obligation		115,954
Net OPEB obligation beginning of year		<u>673,046</u>
Net OPEB obligation end of year	\$	<u><u>789,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2010. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2013.

For the year ended June 30, 2013, the District contributed \$80,938 to the medical plan.

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 286,299	20.4%	\$ 439,000
2012	291,998	20.0%	673,000
2013	196,892	41.1%	789,000

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$1,874,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,874,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$3,297,981, and the ratio of the UAAL to covered payroll was 56.8%. As of June 30, 2013, there were no trust fund assets.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 7. Other Postemployment Benefits (OPEB) (continued)

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2012 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6.0%.

Mortality rates are from the 94 Group Annuity Mortality Table projected to 2000, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the 2006 Society of Actuaries study.

Projected claim costs of the medical plan are \$530 per month for retirees less than age 65.

Note 8. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 5.78% of their annual covered salary and the District is required to contribute 8.67% of annual covered payroll for the year ended June 30, 2013. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$612,753, \$544,045, and \$459,694, respectively, equal to the required contributions for each year.

Note 9. Risk Management

Williamsburg Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

# WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 10. Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$421,305 for the year ended June 30, 2013 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**Note 11. Categorical Funding**

The District's fund balance restricted for categorical funding at June 30, 2013 is comprised of the following programs:

<u>Program</u>	<u>Amount</u>
Limited English proficiency	\$ 68,592
Dropout prevention programs	55,957
Salary improvement program	44,184
At-risk programs	43,979
Gifted and talented	21,084
4 year-old preschool	16,668
Beginning teacher mentoring and induction	10,378
Early childhood programs	4,683
Professional development for model core curriculum	1,501
Beginning administrator mentoring and induction	<u>1,500</u>
Total	<u>\$ 268,526</u>

**Note 12. Construction Commitments**

The District has entered into contracts totaling \$10,971,805 for various construction projects. As of June 30, 2013, costs of \$10,289,067 had been incurred against the contracts. The balance of \$682,738 remaining at June 30, 2013 will be paid as work on the projects progresses.

**Note 13. Subsequent Event**

On July 17, 2013, the District approved a contract totaling \$365,000 for a roof replacement project for the high school.

**Note 14. Scholarship Trust Contribution**

During the year ended June 30, 2010, the District received a contribution of 117 acres of farm land. The land is to be rented by the District to the highest bidder and all proceeds are to be used for two or more scholarships to further the education of Williamsburg Community School District high school seniors.

The land had an appraised value of \$1,467,250 at June 30, 2013, and is reported as an investment in the District's Private-purpose Trust Fund.



## Required Supplementary Information

**WILLIAMSBURG COMMUNITY SCHOOL DISTRICT**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –  
Budget and Actual – All Governmental Funds and Proprietary Fund**

**Required Supplementary Information**

**Year Ended June 30, 2013**

	Governmental Funds - Actual	Proprietary Fund - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>REVENUES:</b>						
Local sources	\$ 8,517,850	\$ 366,975	\$ 8,884,825	\$ 7,760,187	\$ 7,760,187	\$ 1,124,638
Intermediate sources	10,852	-	10,852	207,500	207,500	(196,648)
State sources	6,195,158	4,588	6,199,746	6,381,579	6,381,579	(181,833)
Federal sources	914,331	195,735	1,110,066	175,000	175,000	935,066
<b>Total revenues</b>	<b>15,638,191</b>	<b>567,298</b>	<b>16,205,489</b>	<b>14,524,266</b>	<b>14,524,266</b>	<b>1,681,223</b>
<b>EXPENDITURES/EXPENSES:</b>						
Instruction	8,644,528	-	8,644,528	8,770,500	9,100,000	455,472
Support services	3,465,877	9,875	3,475,752	4,440,000	4,440,000	964,248
Non-instructional programs	-	591,449	591,449	780,000	780,000	188,551
Other expenditures	6,396,021	-	6,396,021	5,948,005	6,948,005	551,984
<b>Total expenditures/expenses</b>	<b>18,506,426</b>	<b>601,324</b>	<b>19,107,750</b>	<b>19,938,505</b>	<b>21,268,005</b>	<b>2,160,255</b>
Excess (deficiency) of revenues over (under) expenditures/ expenses	(2,868,235)	(34,026)	(2,902,261)	(5,414,239)	(6,743,739)	3,841,478
Other financing sources, net	8,569	-	8,569	(478,760)	(478,760)	487,329
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	(2,859,666)	(34,026)	(2,893,692)	(5,892,999)	(7,222,499)	4,328,807
Balance beginning of year	8,736,250	166,011	8,902,261	7,741,042	7,741,042	1,161,219
Balance end of year	<u>\$ 5,876,584</u>	<u>\$ 131,985</u>	<u>\$ 6,008,569</u>	<u>\$ 1,848,043</u>	<u>\$ 518,543</u>	<u>\$ 5,490,026</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING  
Year Ended June 30, 2013

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$1,329,500.

During the year ended June 30, 2013, expenditures did not exceed the amounts budgeted.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN

(In Thousands)

Required Supplementary Information

Year Ended June 30, 2013

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
2010	July 1, 2009	\$ -	\$ 3,762	\$ 3,762	0.0%	\$ 6,661	56.4%
2011	July 1, 2009	-	3,902	3,902	0.0%	6,657	58.6%
2012	July 1, 2009	-	4,042	4,042	0.0%	6,903	58.6%
2013	July 1, 2012	-	1,874	1,874	0.0%	3,298	56.8%

See note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.

## Supplementary Information

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
Assets				
Cash and pooled investments	\$ 400,814	\$ 184,022	\$ 664,270	\$ 1,249,106
Receivables:				
Property tax:				
Current year	3,785	-	-	3,785
Succeeding year	385,000	-	-	385,000
Total assets	<u>\$ 789,599</u>	<u>\$ 184,022</u>	<u>\$ 664,270</u>	<u>\$ 1,637,891</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,378	\$ 6,361	\$ -	\$ 7,739
Interfund payable	-	43	-	43
Deferred revenue:				
Succeeding year property tax	385,000	-	-	385,000
Total liabilities	<u>386,378</u>	<u>6,404</u>	<u>-</u>	<u>392,782</u>
Fund balances:				
Restricted for:				
Debt service	-	-	664,270	664,270
Management levy purposes	403,221	-	-	403,221
Student activities	-	177,618	-	177,618
Total fund balances	<u>403,221</u>	<u>177,618</u>	<u>664,270</u>	<u>1,245,109</u>
Total liabilities and fund balances	<u>\$ 789,599</u>	<u>\$ 184,022</u>	<u>\$ 664,270</u>	<u>\$ 1,637,891</u>

See accompanying independent auditor's report.

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2013

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Local tax	\$ 315,356	\$ -	\$ -	\$ 315,356
Other	6,386	621,931	-	628,317
State sources	137	-	-	137
Total revenues	<u>321,879</u>	<u>621,931</u>	<u>-</u>	<u>943,810</u>
Expenditures:				
Current:				
Instruction	148,972	597,411	-	746,383
Support services:				
Operation and maintenance of plant	94,409	-	-	94,409
Transportation	20,425	-	-	20,425
Other expenditures:				
Long term debt:				
Principal	-	-	873,125	873,125
Interest and fiscal charges	-	-	313,858	313,858
Total expenditures	<u>263,806</u>	<u>597,411</u>	<u>1,186,983</u>	<u>2,048,200</u>
Excess (deficiency) of revenues over (under) expenditures	58,073	24,520	(1,186,983)	(1,104,390)
Other financing sources (uses):				
Interfund transfers in	-	-	1,181,125	1,181,125
Net change in fund balances	\$ 58,073	\$ 24,520	\$ (5,858)	\$ 76,735
Fund balances beginning of year	<u>345,148</u>	<u>153,098</u>	<u>670,128</u>	<u>1,168,374</u>
Fund balances end of year	<u>\$ 403,221</u>	<u>\$ 177,618</u>	<u>\$ 664,270</u>	<u>\$ 1,245,109</u>

See accompanying independent auditor's report.

## WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
CAPITAL PROJECTS ACCOUNTS  
June 30, 2013

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
<b>Assets</b>				
Cash and pooled investments	\$ 1,469,236	\$ 162,750	\$ 414,053	\$ 2,046,039
Receivables:				
Property tax:				
Current year	-	7,833	-	7,833
Succeeding year	-	618,462	-	618,462
Due from other governments	161,490	-	136,154	297,644
<b>Total assets</b>	<b>\$ 1,630,726</b>	<b>\$ 789,045</b>	<b>\$ 550,207</b>	<b>\$ 2,969,978</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 72,126	\$ 616	\$ 1,339	\$ 74,081
Deferred revenue:				
Succeeding year property tax	-	618,462	-	618,462
<b>Total liabilities</b>	<b>72,126</b>	<b>619,078</b>	<b>1,339</b>	<b>692,543</b>
<b>Fund balances:</b>				
Restricted for:				
Revenue bonds reserve fund	353,500	-	-	353,500
Other capital projects	-	-	548,868	548,868
School infrastructure	1,205,100	-	-	1,205,100
Physical plant and equipment	-	169,967	-	169,967
<b>Total fund balances</b>	<b>1,558,600</b>	<b>169,967</b>	<b>548,868</b>	<b>2,277,435</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,630,726</b>	<b>\$ 789,045</b>	<b>\$ 550,207</b>	<b>\$ 2,969,978</b>

See accompanying independent auditor's report.



WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS ACCOUNTS  
 Year Ended June 30, 2013

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ 963,110	\$ 596,798	\$ -	\$ 1,559,908
Other	782,533	30,535	300,950	1,114,018
State sources	-	222	94,004	94,226
Federal sources	9,142	-	665,674	674,816
Total revenues	<u>1,754,785</u>	<u>627,555</u>	<u>1,060,628</u>	<u>3,442,968</u>
Expenditures:				
Current:				
Instruction	11,468	-	-	11,468
Support services:				
Administration	-	-	5,530	5,530
Transportation	-	61,500	-	61,500
Other expenditures:				
Facilities acquisition	3,792,378	71,529	923,826	4,787,733
Total expenditures	<u>3,803,846</u>	<u>133,029</u>	<u>929,356</u>	<u>4,866,231</u>
Excess (deficiency) of revenues over (under) expenditures	(2,049,061)	494,526	131,272	(1,423,263)
Other financing sources (uses):				
Interfund transfers out	<u>(752,365)</u>	<u>(428,760)</u>	-	<u>(1,181,125)</u>
Net change in fund balances	(2,801,426)	65,766	131,272	(2,604,388)
Fund balances beginning of year	<u>4,360,026</u>	<u>104,201</u>	<u>417,596</u>	<u>4,881,823</u>
Fund balances end of year	<u>\$ 1,558,600</u>	<u>\$ 169,967</u>	<u>\$ 548,868</u>	<u>\$ 2,277,435</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year Ended June 30, 2013

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
All Weather Track	\$ 343	\$ 5,007	\$ 5,256	\$ 94
Activity Change Fund	-	13,970	13,970	-
Art Club	240	-	-	240
Baseball Club/Goodwin	6,907	22,016	26,715	2,208
Basketball Cheerleaders	891	16,839	13,004	4,726
Boys Baseball	-	8,016	7,654	362
Boys Basketball	-	8,330	8,330	-
Boys Football	-	41,712	41,712	-
Boys Golf	-	8,487	8,195	292
Golf Club	-	4,407	4,407	-
Boys Soccer	-	2,909	2,909	-
Boys Swimming	545	-	545	-
Boys Track	-	2,099	2,099	-
Boys Wrestling	-	5,453	5,453	-
Cheerleaders	249	2,165	685	1,729
Class of:				
2013	3,926	2,140	5,900	166
2014	-	10,268	3,401	6,867
2016	-	1,500	-	1,500
2017	3,845	1,500	3,845	1,500
2018	2,322	-	2,322	-
Construction Club	5,152	3,510	4,806	3,856
Country Club	1,229	3,662	3,805	1,086
Cross Country	-	2,080	2,080	-
Drama	13,143	5,542	5,566	13,119
Elementary Book Rental	-	5,289	5,289	-
Future Farmers of America	10,268	37,847	28,727	19,388
Future Homemakers of America	10,093	10,617	7,571	13,139
General Revenue	4,904	5,588	5,285	5,207
German Club	696	-	-	696
Girl's Basketball	-	7,681	7,681	-
Girl's Golf	-	1,395	1,395	-
Girl's Soccer	-	3,546	3,546	-
Girl's Softball	-	3,891	3,891	-
Girl's Swimming	-	1,514	1,514	-
Girl's Track	-	2,258	2,258	-
Girl's Volleyball	-	5,635	5,635	-
Grade School Activities	13,902	18,550	19,781	12,671
Honor Society	861	852	1,207	506
Interest	738	457	702	493
Intramural Athletics	-	7,789	7,789	-

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year Ended June 30, 2013

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Jr. High Account	\$ 1,661	\$ 2,980	\$ 3,173	\$ 1,468
Jr. High Honor Society	271	2,828	2,083	1,016
Jr. High Student Council	2,006	3,727	3,719	2,014
Jr. High Volleyball Club	402	-	-	402
Jr./Sr. High Book Rental	-	123,425	123,425	-
Letter Winners	5,270	6,167	1,260	10,177
Library	6,380	1,052	621	6,811
Little Raiders Girls' Basketball	12,206	12,277	14,088	10,395
Math Club	967	134	-	1,101
Mikana	19,152	14,945	13,048	21,049
Music Organization	1,687	11,797	11,044	2,440
Music Trip	4,083	26,385	22,680	7,788
Pom Pom Squad	654	12,549	10,413	2,790
Raider Basketball Club	507	6,475	6,379	603
Raider Football Club	4,086	19,963	21,523	2,526
Raider Softball Club	3,836	14,033	11,245	6,624
Refreshment Stand	838	25,452	25,833	457
First Tech Challenge	-	2,825	1,805	1,020
Science Club	42	-	-	42
Soccer Club	1,345	5,252	5,604	993
Spanish Club	386	2,131	2,181	336
Special Education Activities	554	858	417	995
Student Council	1,185	28,450	28,356	1,279
Swimming Account	655	4,148	4,537	266
Thirty Days of Fitness	195	-	195	-
Volleyball Club	2,468	6,336	4,893	3,911
Wrestling Club	2,008	3,221	3,959	1,270
Total	\$ <u>153,098</u>	\$ <u>621,931</u>	\$ <u>597,411</u>	\$ <u>177,618</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS  
FOR THE LAST NINE YEARS

	Modified Accrual Basis Years Ended June 30,			
	2013	2012	2011	2010
Revenues:				
Local sources:				
Local tax	\$ 5,946,463	\$ 5,867,201	\$ 5,478,307	\$ 5,108,055
Tuition	597,875	578,066	547,270	444,260
Other	1,973,512	896,931	1,016,894	803,307
Intermediate sources	10,852	-	-	32,846
State sources	6,195,158	6,280,957	6,073,209	4,761,397
Federal sources	914,331	381,016	563,480	866,873
Total revenues	<u>\$ 15,638,191</u>	<u>\$ 14,004,171</u>	<u>\$ 13,679,160</u>	<u>\$ 12,016,738</u>
Expenditures:				
Instruction	\$ 8,644,528	\$ 8,034,711	\$ 8,022,112	\$ 7,719,467
Support services:				
Student	171,239	195,299	258,447	159,224
Instructional staff	284,605	279,478	266,681	288,404
Administration	1,404,631	1,374,703	1,036,914	945,161
Operation and maintenance of plant	955,703	939,233	953,034	877,836
Transportation	649,699	567,142	707,923	614,684
Non-instructional programs	-	-	2,393	-
Other expenditures:				
Facilities acquisition	4,787,733	8,355,534	3,097,885	645,513
Long-term debt:				
Principal	873,125	908,125	400,094	170,189
Interest and fiscal charges	313,858	278,695	77,263	8,875
AEA flowthrough	421,305	421,717	462,762	434,225
Total expenditures	<u>\$ 18,506,426</u>	<u>\$ 21,354,637</u>	<u>\$ 15,285,508</u>	<u>\$ 11,863,578</u>

See accompanying independent auditor's report.

2009	2008	2007	2006	2005
\$ 5,003,155	\$ 5,166,555	\$ 5,173,540	\$ 4,243,081	\$ 3,458,255
414,164	366,862	334,335	320,718	278,454
759,326	363,561	250,567	672,426	563,645
13,358	-	-	-	-
5,521,003	5,597,924	5,239,011	4,884,448	4,583,508
290,976	228,407	266,986	199,489	247,543
<u>\$ 12,001,982</u>	<u>\$ 11,723,309</u>	<u>\$ 11,264,439</u>	<u>\$ 10,320,162</u>	<u>\$ 9,131,405</u>
\$ 7,439,655	\$ 6,917,692	\$ 7,052,236	\$ 6,279,684	\$ 6,136,796
174,102	222,678	228,693	238,184	187,036
269,633	298,098	296,555	273,013	266,860
831,795	923,329	919,857	806,944	724,704
951,593	992,032	956,288	1,020,780	922,571
572,396	501,062	471,266	538,848	403,397
2,601	4,278	5,213	4,144	35,526
931,934	587,517	174,382	110,025	331,275
160,189	155,189	430,189	410,189	405,189
16,545	23,970	38,330	50,535	61,595
393,646	390,544	368,305	339,429	326,127
<u>\$ 11,744,089</u>	<u>\$ 11,016,389</u>	<u>\$ 10,941,314</u>	<u>\$ 10,071,775</u>	<u>\$ 9,801,076</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2013

Grantor / Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 13	\$ 17,908
National School Lunch Program	10.555	FY 13	177,827 *
			<u>195,735</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster Programs:			
Title I Grants to Local Educational Agencies	84.010	FY 13	<u>69,630</u>
Migrant Education - Sate Grant Program	84.011	FY 13	<u>72,195</u>
Vocational Education - Basic Grants to States	84.048	FY 13	<u>4,512</u>
Fund for the Improvement of Education	84.215	FY 13	<u>9,142</u>
Improving Teacher Quality State Grants	84.367	FY 13	<u>20,016</u>
Grants for State Assessments and Related Activities	84.369	FY 13	<u>7,365</u>
Grant Wood Area Education Agency:			
Special Education Cluster Programs:			
Special Education - Grants to States	84.027	FY 13	<u>60,848</u>
English Language Acquisition Grants	84.365	FY 13	<u>4,950</u>
U. S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Hazard Mitigation Grants	97.039	FY 13	<u>665,674</u>
Total			<u>\$ 1,110,067</u>

\* = Includes \$34,916 of non-cash awards.

Basis of Presentation –

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Williamsburg Community School District and is presented on the accrual or modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

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DONALD D. KAIN  
CHUCK C. CONVERSE, CPA  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of  
Williamsburg Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Williamsburg Community School District as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Williamsburg Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamsburg Community School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamsburg Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Williamsburg Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa  
December 11, 2013

*Hunt & Associates, P.C.*



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,  
ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Board of Education of  
Williamsburg Community School District:

Report on Compliance for Each Major Federal Program

We have audited Williamsburg Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. Williamsburg Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Williamsburg Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Williamsburg Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Williamsburg Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Williamsburg Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of Williamsburg Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Williamsburg Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal

program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Williamsburg Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Williamsburg Community School District as of and for the year ended June 30, 2013, and have issued our report dated December 11, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Oskaloosa, Iowa  
December 11, 2013

*Hunt & Associates, P.C.*

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
  - CFDA Number 97.039 – Hazard Mitigation Grant
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Williamsburg Community School District qualified as a low-risk auditee.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiency:

No matters were reported.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-13 Certified Budget – Expenditures for the year ended June 30, 2013, did not exceed the amounts budgeted.
- IV-B-13 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-13 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-13 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Darren Spenler, Board Member Co-Owner of TD Builders	Remodeling	\$556

In accordance with Chapter 279.7A of the Code of Iowa, the transaction does not appear to represent a conflict of interest since the cumulative amount was less than \$2,500 for the fiscal year.

- IV-E-13 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-F-13 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-G-13 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- IV-H-13 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-13 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.
- IV-J-13 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-13 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part IV: Other Findings Related to Statutory Reporting (continued):

- IV-L-13    Statewide Sales and Services Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2013, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	4,360,026
Revenues:			
Sales tax revenues	\$	963,110	
Interest		11,501	
Other local revenues		20,533	
Contribution from local source		750,500	
Federal revenues		<u>9,141</u>	1,754,785
Expenditures/transfers out:			
School infrastructure construction		3,671,841	
Equipment		132,005	
Transfers to other funds:			
Debt Service Fund		<u>752,365</u>	<u>4,556,211</u>
Ending balance		\$	<u><u>1,558,600</u></u>

For the year ended June 30, 2013, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.